

STATE OF THE CITY ADDRESS

Cheryl Cox, Mayor
City of Chula Vista

Good evening.

Elizabeth was 18 months old when that picture was taken at her dad's swearing-in in 1981. She and her younger sister, Emmie, have made their parents and grandpa, John Willett, very proud. "Dad" is Greg Cox—my best friend, colleague, and trusted advisor for 35 years. Thank you, Jerry, Dr. Freeman, Councilmembers, and guests.

"Family" is important to me, to those who live here, work here, and visit our city.

In December, I outlined an Action Plan that I hoped to accomplish by working with my City Council colleagues, staff, and members of the community, during my first year as your Mayor.

We're off to a good start!

1. Our Independent Financial Review will help us address the current budget imbalance and establish a sound and sustainable basis for future budgets. The City Council will consider its several recommendations as we prioritize the fiscal policy decisions that lie ahead.
2. Last month, the City Council unanimously selected David Garcia as our permanent City Manager. While we searched for a top executive, Interim City Manager Jim Thomson gave us the benefit of his long and distinguished career in local government.
Please stand, David, and allow us to welcome you.
Please stand, Jim. We thank you from the bottom of our hearts.
3. Report Calendars now issued through the City Manager's office give Council members a clearer picture of the work staff is doing and a timeline for doing it.
4. Over the past five months, department heads, with help from Budget Director Ed Van Eenoo and City Treasurer Maria Kachadoorian, squeezed their budgets for every ounce of discretionary expense as they built a budget strategy. They made the adjustments necessary to protect the Council's 8% funded reserves. I anticipate that next month, the City Council will endorse a budget that aligns spending with revenues.
Difficult decisions will be made--decisions that will carry us through the next fiscal year.
5. I spoke of a "breathing period" on the Urban Core Specific Plan. For several months, after listening to the community, urban planners, and professionals in real estate and redevelopment, I concluded that the Urban Core Specific Plan had the potential for economic viability.
The Council has now approved that Plan.
6. Another goal was to encourage residents to learn about how cities work. Councilmember Ramirez and I will work as a Council Subcommittee to review a recently completed civic engagement study that was begun before Mr. Ramirez and I joined the City Council. I applaud Mr. Ramirez' consistent advocacy for community outreach.

In addition, A Citizens Academy designed to help community members better understand the complexities of local government will get underway this fall.

7. On May 3rd, demolition began on the last of the buildings blocking the view along H Street to Marina Parkway. Port District Chairwoman Sylvia Rios and Chula Vista Port Commissioner Mike Najera were at the controls when backhoes brought the first buildings crashing to the ground.
8. For as long as we have thought about opening the Bayfront to the public, we have dreamed of offering more opportunities for higher education in the South Bay. Soon, our City Council will be poised to accept acreage in southeast Chula Vista that will allow us to recruit four-year higher education, post-graduate, and environmental and technology research institutions.
9. According to CEO Greg Hulsizer, the promised benefits of the South Bay Expressway are just a few months away. Don't forget to go to southbayexpressway.com to order your FasTrak!
10. I continue to encourage people to spend their money in Chula Vista. Number 10 from the Action Plan was to recruit the kinds of businesses that bring shopping and investment to Chula Vista. As you'll hear tonight, we're making great strides.

And that was just the first five months of 2007! Let's look at what lies ahead.

Last month, the City Council approved the first in a series of zoning documents for parts of the Urban Core Specific Plan. Under the leadership of Acting Director Ann Hix, Community Development Department efforts have been directed at redeveloping and revitalizing close to 690 acres in the older areas of the City. Its staff deserves my admiration for coordinating and organizing efforts to make redevelopment work.

We tend to compare the east with the west, but doing so is not realistic. As communities are built in the east, sidewalks, fire stations, parks and streets are paid through new development assessments. Power lines in new areas are buried from the get-go. In older, established areas, catch-up improvements and amenities must be paid for by redevelopment.

The cost of building new parks and maintaining existing ones is high and will continue to increase. Fire Stations 1 and 5 are in dire need of renovation. The Civic Center Library's carpet is patched with duct tape and has a repair list totaling some two million dollars.

A City's complicated financing depends upon leveraging what it has with what it wants to do. We cannot afford to issue bonds unless we are certain that bond debt can be repaid.

Redevelopment, a valuable tool in this effort, does not mean "redevelop at any cost." It means sifting through new projects and selecting those with a foreseeable positive return on monies spent and community benefit. Responsible redevelopment means figuring out how to set things right.

Earlier this year, the Council agreed to remove itself from the Redevelopment Corporation. We will begin interviewing members of the public to replace us this summer.

Chris Lewis, Paul Desrochers, Doug Paul, and Chris Rooney have volunteered their expertise over the past year. They will continue to serve on the newly restructured Corporation. I am grateful for your dedication, gentlemen.

Last month, my Council colleagues supported a recommendation that the newly formed CVRC assist in reviving the Economic Development Commission. Later this summer, I will ask my colleagues to recommend that the CVRC host a joint workshop with members of the Redevelopment Advisory Committee to enhance a productive working relationship.

As for what else is going on in our City, I can tell you that hundreds of people come to work here everyday, determined to do their best for you.

Public Safety is always a top priority.

We can be proud of what Police Chief Rick Emerson and Fire Chief Doug Perry accomplish in their departments each and every day.

In January, we celebrated the opening of Fire Station 8 in Eastlake Woods. This state-of-the-art facility provides coverage to some of eastern Chula Vista's newest neighborhoods.

This year, the Fire Department brought almost two million dollars in grants to the city, grants that funded new staff, training, and equipment.

The Police Department introduced the County's first in-custody drug treatment program in the City's jail. This program will make a difference in the lives of non-violent offenders who want to stay away from drugs and out of the criminal justice system.

The Department also brought forward three new ordinances this year predicted to have a positive impact.

- Motels have new rules to follow,

- Minors will have a harder time getting access to alcohol, and

- Neighbors will have to be more considerate when it comes to noisy parties.

Northwest Chula Vista's "Safe City Project" and the Police Department's anti-bullying program are tributes to public and private partnerships working together to reduce crime. With thanks to Deputy Mayor Rindone, 28 security cameras were installed at all three of Chula Vista's trolley stations to help prevent and investigate crime.

Traffic safety is always a concern.

Last summer, the Police and Engineering Departments launched a traffic enforcement effort, "Stop on Red," aimed at drivers who run red lights.

That was so successful—there's a new safety campaign at the ready, this one to crack down on speeding drivers.

Let's slow down, Chula Vista!

Library Director and Assistant City Manager David Palmer coordinates another important service to residents—access to public libraries. We know that families enjoy taking their children to story hour at

any of our three City libraries. This summer's annual summer reading program is expected to attract 5,000 youngsters. Teenagers get help in the library for homework assignments. And then there's reading and research for the rest of us.

The library's reach extends beyond books. Library staff coordinate Cultural Arts events like last weekend's Taste of the Arts festival, the popular Music in the Park series that begins next month, and exhibits at the Chula Vista Heritage Museum where you can re-live the heyday of Rohr Industries.

Architectural plans for our fourth branch, the Rancho del Rey Library, have been finalized, and the Council will hear a report this fall regarding the status of its financing.

The Building Division's Code Enforcement officers have positively impacted the way our neighborhoods look. Greater enforcement of regulations has corrected hundreds of health and safety issues.

Public Works crews, assigned by Director Dave Byers, fill potholes, remove obstacles from roadways and sidewalks, and clear drains of debris every day. They make sure that we can be proud of our park buildings and grounds.

City staff can't do this alone. It takes businesspeople and residents alike to instill pride in a community. Builder Doug Wilson's Creekside Vistas, a 167-unit mixed-use project near Third Avenue and L Street, is a great example of replacing dilapidated commercial uses. Let's look forward to more of that this year.

With the opening this year of the Public Services Building, the Planning and Building Department successfully created a "one-stop" public counter—an efficient way in which customers can file development applications or ask questions about their property.

Recreation Director Buck Martin coordinates recreational programs for residents of all ages. He and his staff supervise the part-time recreational aides who work with Chula Vista's children in after-school programs.

The General Services Department opened 89 acres of new parks in 2006, including Harborside Park, the first new park on the west side in 25 years. The newest park in northwest Chula Vista is 80-year-old Eucalyptus Park. It benefited from renovations last February. Children with disabilities now have access to its playground, thanks to KaBOOM!, the American Academy of Orthopedic Surgeons, and hundreds of volunteers.

These are examples of people doing the best they can, with limited financial resources.

Candidly, however, our City has a budget problem.

Here are some of the situations we currently face:

In March, the City Council accepted the first phase of a comprehensive program for pavement and drainage from Acting Assistant City Manager and City Engineer Scott Tulloch and General Services Director Jack Griffin.

The bottom line: The City needs \$19 million per year over the next seven years in order to bring City streets and roads up to acceptable condition.

The problem: The City has about \$4 million per year to spend on continuously repairing and maintaining sewers and drainage to avoid costly breakdowns. Resources are spread thin among the core services of public safety and public services.

Revenue from growth has slowed while costs have increased. The decline in reserves means less interest is earned on those reserves. In the short term, unfilled positions have been frozen. Positions not required for core functions have been reduced. We need to limit new expenditures and focus on increasing revenues. We need to balance the budget in order to create a more sustainable basis for future budgets.

While the opportunities of substantial development capacity remain and regional market conditions are favorable to Chula Vista, it is likely that the budget will include little other than core services for several years. Budget gaps in late 2006 and early 2007 were gaps between forecasted revenues and budgeted expenditures. We must approve a budget that shrinks that gap.

We must approve a budget that gets us closer to spending what we take in, and nothing more.

We must practice fiscal discipline across the board.

For the next couple of years, we will feel the impacts of a stressed budget.

It will take longer to fill potholes,
library hours might shrink, and
cultural arts may suffer.

Added to the mix are rising health care costs and a start-up of a new round of employee negotiations.

Although the budget news may appear bleak, opportunities outweigh the challenges. We have a lot going for us in Chula Vista.

Join me on a “tour” that highlights the vitality around us, beginning with the Bayfront, as we look at the challenges and opportunities.

The South Bay Power Plant has dominated our waterfront for more than 60 years. We can all agree that it’s an eyesore, and thanks to technology, it doesn’t have to be there. A water-cooled power plant is a thing of the past. A replacement plant can be built elsewhere. I thank Councilmember Castaneda for sharing my vision of a Bayfront without a power plant.

The Port District supported your City Council’s request not to enter into any new energy contracts on Port tidelands in Chula Vista. San Diego Gas & Electric Company representatives have assured me that the current power plant will be demolished in 2010. They also pledged that power lines will be underground that same year.

Doing so frees up almost 125 acres of Port-owned land for redevelopment and recreation, part of which can include the Bayshore Bikeway. Working with the County of San Diego, Chula Vista hopes to complete our portion of a dedicated bike path along our shoreline.

An important link to the Bayfront is the 13-mile Otay Valley Regional Park that begins at the Lower Otay Reservoir. Debris and trash removal are well underway, with plans to create trails and public access. The Park will encompass 8,000 acres jointly owned and monitored by the cities of Chula Vista and San Diego, and the County of San Diego. It provides a refuge for local wildlife and is the southern anchor of the green belt that will ultimately encircle the City.

Just north of the Otay River Valley is a growing commercial district along Main Street. Its redevelopment—already underway-- will be integral to the success of the Southwest Specific Plan. My goal is for this plan to set a fresh standard for public engagement. City staff and this Council are committed to reaching out to all stakeholders.

East of 805 and Main Street is a growing district of retail businesses and restaurants that complements Chula Vista's expanding Auto Park, whose vehicle sales are among the highest single sales tax producers in Chula Vista. New car dealers are literally knocking at our door.

Further east on Auto Park Way, Heritage Road will connect to Birch Road as Otay Ranch continues to expand its series of Villages. This important link will improve Otay Ranch and Eastlake residents' access to businesses along Auto Park Way.

The construction of State Routes 11 and 905 and a third border crossing at Otay are desperately needed. I have joined federal, state, and local representatives in working to improve cross-border traffic and reduce air pollution caused by long waits at the border.

Earlier, I mentioned the South Bay Expressway. It will connect neighborhoods, education, employment, and commerce.

Chula Vista is home to outstanding schools and talented students. Earlier tonight, we saw what today's young people can accomplish with an education that includes the arts and sciences. Hilltop High School's robotics team recently won the Inspiration Award in a prestigious competition that attracted teams from all over Southern California. Thanks to financial support from AT&T and the Otay Ranch Company, Hilltop High's team will compete in 2008. Go, Lancers!

Our latest school addition is Olympian High School. The upcoming additions of High Tech High, Wolf Canyon Elementary and Mater Dei Schools are exciting, but we're missing a key element in our educational system.

Chula Vistans deserve a four-year college or university, post-graduate and research programs. City Attorney Ann Moore and Planning Director Jim Sandoval are negotiating to acquire land to be used for a university. Next month, I expect to ask my City Council colleagues to approve a land use agreement that takes us one step closer to our dream. I look forward to working with Deputy Mayor Jerry Rindone to improve educational opportunities in the South Bay.

In the future, education, research and technology will drive our city's economic engine from a location planned for it in the southeasternmost part of the City.

Chula Vista will be recognized throughout the country for responsible approaches to using energy wisely. Research here will have an extraordinary impact on the way we look at climate change and yes, at global warming.

Soon, the National Energy Center will host groundbreaking research into energy resources and energy use. Chula Vista and its Energy Center partners, through the leadership of Chula Vista's Denny Stone and Michael Meacham, will become a beacon for enterprise in CO₂ reduction.

So, what about those Chargers? Since last year, Councilman John McCann has taken the lead with determination and passion in exploring the possibilities of building a stadium and bringing the team here. The Chargers funded looking at the options in Chula Vista. The study will be available in June. Both John and I know that for a stadium to “work” in Chula Vista, it has to work for *both* the Chargers and the City.

Chula Vista’s tradition for master-planning and smart growth will continue with the remarkable Eastern Urban Center, designed by the Corky McMillin Companies. This heart of the Otay Ranch is truly urban in character. It will combine homes and businesses with arts and culture. Pedestrian and transit-friendly, it will have a business district that provides good jobs close to home. Groundbreaking is set for 2008.

Already, new shopping areas along SR-125 are giving us more dining and shopping, and employment options. Just this month, the Shops at San Miguel Ranch opened for business. Next month, the Eastlake Village Walk Shopping Center—with Mr. McCann’s long awaited Trader Joe’s—will open. These, plus the Otay Ranch Town Center and the Eastlake Design Center, comprise four exciting shopping, dining and business opportunities in Chula Vista.

So... let’s go... eat... shop! Right here in Chula Vista!

Let’s circle our tour further west. The award-winning Nature Center is led by Director Dan Beintema. His staff and volunteers work with a network of agencies to protect local wildlife and educate thousands of visitors each year.

In July, the Nature Center celebrates its 20th Anniversary. Generous contributions from individuals like Dr. Larry Wergeland and organizations such as the Eastlake Company, help the Nature Center thrive. This special place is an outstanding example of the City’s commitment to preserving the environment, with its latest effort being the opening of a campaign to raise \$200,000 for a charitable endowment.

I’ll close this “tour” with the proposed condos, shops, hotel and convention center on the Bayfront that will connect east and west. It is important for the City, the Port, Gaylord Entertainment, and Pacifica Companies -- to ensure that proposals for our waterfront
benefit the community,
are responsive to environmental conditions,
and make economic sense. That’s the only way they’ll ever be built.

Negotiations to make these projects happen are complex and evolving. No matter how challenging the effort, the result must be an exceptional one, fulfilling a vision for Chula Vistans that residents in other waterfront cities now enjoy.

The public deserves honesty and forthrightness about the current financial difficulties and those that lie ahead. What we do now and over the next six months will help prepare for equally difficult budget deliberations a year from now.

That will be a challenge for incoming City Manager Garcia.
But we’re up to the challenge! We’ll fix the budget.
Together, we can turn dreams about universities and the Bayfront into reality.

I am honored to be your Mayor, to work with the City Council and to stand with the City's employees as we take this task on together. As steward of taxpayer dollars, I say that we spend them wisely, and within the confines of a balanced budget.

We must do the best we can, and continue moving forward. As I implored of you almost six months ago, I ask for your patience, thoughtfulness, and understanding in 2007 as we work to earn your confidence and trust.